MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

PBU0054 – FUNDAMENTALS OF BUSINESS MANAGEMENT

(Foundation in Business)

1st MARCH 2016
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **EIGHT** pages.
2. Answer **ALL** questions in **Sections A, B,** and **C.**
3. Shade your answers for **Sections A** on the OMR sheet. Write your answers for **Sections B** and **C** in the Answer Booklet.

SECTION A: MULTIPLE CHOICE [40 MARKS]

Instructions: Answer **ALL** questions in this section. Shade your answers on the **OMR** sheet.

1. Which aspect of the management process involves guiding and motivating employees to meet an organisation's objectives?
   A. Leading
   B. Planning
   C. Organising
   D. Controlling

2. Which of the following **BEST** describes business strategy?
   A. A strategy at the business-unit or product-line level that focuses on improving a firm's competitive position.
   B. A strategy that assists first-line managers in making day-to-day decisions about motivating employees.
   C. A strategy by which managers in specific areas decide how best to achieve corporate goals through productivity.
   D. A strategy for determining the firm's overall attitude toward growth and the way it will manage its businesses or product lines.

3. Which of the following is **NOT** considered as an organisational strength?
   A. Technical expertise
   B. Dedicated work force
   C. Strong market position
   D. Changing consumer tastes

4. On Multimedia University (MMU) website, it states "To bring together talent for Inquiry, Inspiration and Innovation". This is an example of a _____.
   A. goal
   B. strategy
   C. corporate culture
   D. mission statement

5. What kind of departmentalisation happens when an organisation is divided according to groups' activities?
   A. Process departmentalisation
   B. Customer departmentalisation
   C. Functional departmentalisation
   D. Geographic departmentalisation

6. Johnny has assigned the task accordingly to his subordinates. Which of the following comes next?
   A. Granting authority to complete the task.
   B. Creating a work team to complete the task.
   C. Assigning responsibility to perform the task.
   D. Creating accountability for the successful completion of the task.

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7. Jack Welch, former CEO of General Electric, stated, "If you don't let managers make their own decisions, you're never going to be anything more than a one-person business." What style of management is Welch proposing?
   A. Staff management
   B. Centralised management
   C. Geographic management
   D. Decentralised management

8. Which of the following is a virtual organisation?
   A. ABY company with no formal structure but only a handful of permanent employees.
   B. BGQ company with little or no underlying functional hierarchy relies almost exclusively on project-type teams.
   C. FDS company works to facilitate the lifelong learning and personal development of all of its employees while continually transforming itself to respond to changing demands and needs.
   D. None of the above

9. Toyota's special ability to produce quality cars to outperform the competitors is said to have _____.
   A. quality control
   B. operations capability
   C. well method planning
   D. good custom-products layout

10. When Tupperware produces its product, it will need to ensure the "consistency" of the product. What does "consistency" refers to?
   A. The sameness of product quality from unit to unit.
   B. The principle that quality belongs to each person who creates it while performing a job.
   C. The sum of all activities involved in getting high-quality products into the marketplace.
   D. The process by which a company analyses a competitor's products to identify desirable improvements.

11. Cubic Ltd. implements a production system in which all the needed materials and parts arrive at the precise moment when they are required for each production stage. What does the system refers to?
   A. Quality control system
   B. Just-in-time production
   C. Process control system
   D. Standardised production

Continued...

12. When a worker at Dell takes one part of Acer's computer and tests each component, the worker is engaging in which activity?
    A. Value-added analysis
    B. Quality reliability analysis
    C. Competitive product analysis
    D. Business process reengineering

13. Which of these behaviours **BEST** indicate good organisational citizenship?
    A. asking for a pay raise
    B. meeting job performance standards
    C. being willing to help new employees
    D. using office supplies for business use

14. Daniel has accepted an offer from Xerox Corporation. In the psychological contract, which of the following aspect is provided by Daniel?
    A. Pay
    B. Skills
    C. Benefits
    D. Job security

15. Mary feels happy towards her current job, which of the following reflects Mary's feeling?
    A. She tends to be absent less often
    B. She sees herself as a true member of the firm
    C. Both A and B
    D. None of the above

16. Which of the following will a manager expect to see in an employee who has a low degree of agreeableness?
    A. A tendency toward mood swings.
    B. An inability to work in a team setting.
    C. A tendency to be unprepared at meetings.
    D. A high level of comfort with other people.

17. The human resource planning begins with _____.
    A. conducting job analysis
    B. conducting job description
    C. developing plan to match demand with supply
    D. forecasting the demand for, and supply of labour

18. Paul is a general clerk. He never fails to perform his job well even as a general clerk. Which of the following incentive programme is best to motivate his high performance?
    A. Bonuses
    B. Gain sharing
    C. Profit sharing
    D. Merit-salary systems

Continued...

19. Abdullah, a human resource manager is drafting an advertisement to attract qualified persons for his company's vacant. Which HR function is Abdullah performing?
    A. Staffing
    B. Training
    C. Recruiting
    D. Job analysis

20. Which of the following method can be used in the process of selecting someone to hire?
    A. An application form that contains applicant's demographic data.
    B. A replacement chart which lists each important managerial position.
    C. A skill inventory that contains information on each employee's education, work experience and skills.
    D. All of the above.

21. Which of the following shows a brand competition?
    A. Coca-Cola vs Pepsi
    B. Swan bag vs Amazon bag
    C. Colgate toothpaste vs Darlie toothpaste
    D. Multimedia University vs Tunku Abdul Rahman University

22. Today, most of the leading firms focus on increasing value for customers. So to satisfy customers, a company may _____.
    A. open longer hours during a busy season
    B. develop a new product that performs better
    C. offer information that explain the usage of the products
    D. all of the above

23. When Amy wants to buy clothes from a boutique, she will always consider the suitability of the clothes with her occupation. What kind of influence will be on Amy's consumption behaviour?
    A. Social
    B. Cultural
    C. Personal
    D. Psychological

24. Which of the following example shows a product line of a firm?
    A. Colgate produces toothbrushes, toothpastes and mouthwash.
    B. Nova produces rolling walker, folding walker, canes and crutches.
    C. Johnson & Johnson produces baby care, skin and hair care, wound care and topicals.
    D. Lady's Choice produces Real Mayonnaise, MayoLite, fruit salad dressing and coleslaw dressing.

Continued...

25. Sarah sells burgers for her business project in MMU. She has added some monetary amount to her cost to sell it at a profit. Which price setting tool did she apply?
    A. Odd-even pricing
    B. Breakeven analysis
    C. Cost oriented pricing
    D. Psychological pricing

26. If a farmer sells his own plant vegetables to the visitors who visit his farm, which type of distribution channel is he involved with?
    A. Retail distribution
    B. Direct distribution
    C. Wholesale distribution
    D. Distribution by brokers

27. Most of the firms today will choose different ways to promote their product. Which of the following is the purpose of promotion?
    A. To eliminate competition
    B. To communicate information
    C. To develop new uses for products
    D. All of the above

28. Which of the following is crucial in promoting for high-priced consumer products such as homes and cars?
    A. Creative selling
    B. Order processing
    C. Missionary selling
    D. Interactive marketing

29. Who is the user of accounting information?
    A. Mr. Lee who is currently developing goals and plans, setting budgets and evaluates future prospects.
    B. Ms. Sandra who is estimating her returns and determining the growth prospects of a firm's stock.
    C. Mr. Ramlan who is planning for tax inflows and determining the tax liabilities of individuals and businesses.
    D. All of the above.

30. Julie's Company has a net income of RM8 million. Julie's number of outstanding shares of stock is 4,560,000 shares. What is the company's earnings per share?
    A. RM1.25
    B. RM1.29
    C. RM1.75
    D. RM1.85

Continued...

31. A company has an assets-to-liabilities ratio of 4:2 and total assets worth RM8 million. What is its owners' equity?
    A. RM2 million
    B. RM3 million
    C. RM4 million
    D. RM6 million

32. Which of the following scenarios would most likely occur with a company that has reported disappointing earnings recently?
    A. Low activity ratio
    B. Low profitability ratio
    C. Low short-term solvency ratio
    D. High long-term solvency ratio

33. Which of the following financial institution is considered to be owned by its depositors?
    A. Pension funds
    B. Commercial banks
    C. Mutual savings banks
    D. Savings and loan associations

34. A Malaysian buys goods from a supplier in China, has arranged for his bank to pay the supplier the cost of the desired material when it has passed the customs in Thailand. What type of bank promise is this called?
    A. Letter of credit
    B. Certified check
    C. Bank trust service
    D. Banker's acceptance

35. Which statement is **TRUE** regarding the international payments process?
    A. In international trade, money will flow from the country with the strongest currency to that of the weakest.
    B. The World Bank monitors the trade of its members to ensure that money is flowing properly between the various countries.
    C. The World Bank monitors the national banks of its members to ensure that money is flowing properly between the various countries.
    D. Money does not actually have to flow between two countries if the money inflows and outflows are equal for both countries.

36. Sam is looking for some members to pool their funds to make loans to one another and to provide a safe place to save and borrow money at reasonable rates. What type of financial institution is Sam trying to create?
    A. Credit unions
    B. Pension funds
    C. Commercial banks
    D. Mutual savings banks

Continued...

37. If Andy wants to double his money in 12 years, how much interest must he get from the investment?
    A. 4%
    B. 6%
    C. 8%
    D. 10%

38. Kim has some investments in stocks, and wants to calculate her total return. What should she do?
    A. Subtract the cost of the stock from what she sold it for.
    B. Compare the dividend against current yields from other investments.
    C. Divide the current dividend payment plus capital gain by the original investment.
    D. Divide the yearly dollar amount of dividend income by the investment's current market value.

39. Mr. Bala wants to reduce his risk in investment by investing in stocks of several different companies. What is the way that Mr. Bala uses to reduce his risk?
    A. Portfolio
    B. Diversification
    C. Asset allocation
    D. All of the above

40. When Cindy divides the yearly dollar amount of dividend income by the investment's current market value, what is she calculating?
    A. Debenture
    B. Bond yield
    C. Capital gain
    D. Current dividend yield

SECTION B: SHORT ANSWER [40 MARKS]

Instructions: Answer **ALL** questions in this section. Write your answers in the Answer Booklet.

1. What is delegation? Briefly summarise the steps in the delegation process.
   (4 marks)
2. What are the **FIVE** commonly used tools for Total Quality Management?
   (5 marks)
3. List **FIVE** examples of contributions from an individual in a psychological contract.
   (5 marks)
4. List the process of human resource planning. And name **TWO** types of recruitment can be done by a human resource manager.
   (6 marks)
5. State the **FIVE** external factors that will affect the marketing environment.
   (5 marks)

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6. a) What is the difference between financial accounting and managerial accounting?

(2 marks)

b) Name **THREE** types of services normally provided by a certified public accountant (CPA).

(3 marks)

7. Name the **TERM** for each of the following definition:
   a) Financial institution whose depositors are owners sharing in its profits.
   b) Financial institution accepting deposits and making loans primarily for home mortgages.
   c) Nonprofit, cooperative financial institution owned and run by its members, usually employees of a particular organisation.
   d) Nondeposit pool of funds managed to provide retirement income for its members.
   e) Nondeposit institution that specialises in making loans to businesses and consumers.

(5 marks)

8. a) What is the difference between debt financing and equity financing? Give one example for each.

(4 marks)

b) When a bank offers a loan which is backed by the borrower pledging the asset as collateral, what kind of loan is this?

(1 mark)

SECTION C: ESSAYS [20 MARKS]

Instructions: Answer **ALL** questions in this section. Write your answers in the Answer Booklet.

1. Jamal would like to own a stationary shop in a small town in Malaysia. To ensure an effective strategic management, he needs to set goals as a starting point. Discuss and explain types of goals that Jamal should look into before managing a business and types of strategies that Jamal should consider to achieve his goals.

(10 marks)

2. Starbucks is known for its coffee, espresso drinks and coffee beans. It has branches in more than 55 countries and has outstanding annual revenues as a result of effective implementation of marketing mix. What is marketing mix?

   If Starbucks were to introduce a new product, what are the possible pricing methods can be used by Starbucks? And what are the promotional tools can be used by Starbucks in promoting its new product?

(10 marks)

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